

THOMAS J. VILSACK
GOVERNOR

STEVEN K. YOUNG, DIRECTOR

SALLY J. PEDERSON
LT. GOVERNOR

July 15, 2005

Re: Registered Electrical and Mechanical Amusement Devices

Dear Registrant:

As you are aware, in each of the last three years, the law governing electrical and mechanical amusement devices and devices required to be registered (registered devices) has been amended. These changes in the law have prompted the Department to periodically provide you and other affected individuals with written guidance regarding the changes. Recently, questions have arisen regarding the location restrictions applicable to such devices. You may recall that the Department wrote to you on this and other topics in May 2005. This letter and the enclosed chart are sent to reemphasize the law changes restricting the permissible locations for the registered devices.

Generally speaking, location restrictions for registered devices can be summarized into categories that are determined by the class of liquor control license or class of beer permit issued to the particular location on or before April 28, 2004, the effective date of the legislative changes enacted during the 2004 legislative session. These categories may be summarized as follows:

- **Premises without the specified category of liquor control license or beer permit.**

As of July 1, 2005, registered devices may **no** longer be located at a premise that lacks the required class of liquor control license or beer permit. Registered devices previously placed at this type of location were required to be removed and sold to a distributor or persons authorized to offer the device for public use.

- **Premises with a Class "A", Class "B", Class "C", or Class "D" liquor control license.**

Registered devices previously placed at these types of locations may remain and newly registered devices within the numeric limitations (2 or 4 registered devices) may be added to this type of premise as registrations become available using the current waiting list system. You will recall that the waiting list system was developed after HF 2562 was enacted last year capping the number of registered devices in Iowa at 6928 registered devices.

- **Premises with a Class “B” beer permit or Class “C” beer permit as of April 28, 2004.**

Registered devices located at a location with a Class B or Class C beer permit prior to April 28, 2004 may remain at that location. However, a location with a Class B or Class C beer permit may not replace devices or increase the number of registered devices at the location. In addition, the registered device shall not be transferred, assigned, sold or leased to a location for which only a class “B” or class “C” beer permit has been issued.

- **Premises with a Class “B” beer permit or Class “C” beer permit issued after April 28, 2004.**

Registered devices are **not** authorized for this type of location.

As you can see from the above summary, the Legislature was clearly concerned about limiting the location of registered amusement devices to those locations expressly authorized. Permissible locations are tied to locations that possess the required type of liquor control license or beer permit. Liquor control licenses and beer permits are issued in accordance with the governing provisions of Iowa Code chapter 123. Iowa Code chapter 123 is administered by the Iowa Department of Commerce, Alcoholic Beverages Division (ABD), not the Iowa Department of Inspections and Appeals.

Questions have arisen of late regarding other types of licenses and permits issued by ABD under the authority of Iowa Code chapter 123 and whether the other types of licenses and permits issued may qualify as a location for which a registered amusement device may be located. Upon consultation with ABD and the Iowa Attorney General’s office, it was determined that the other types of licenses and permits under the authority of Iowa Code chapter 123 do not qualify as locations for which registered amusement devices are permissible. One example is the Special Class C license. The Department has also been assured that this determination by ABD, the Iowa Attorney General’s Office, and DIA is consistent with legislative intent.

I hope you find the information contained in this letter and the enclosed chart helpful. If questions remain, please do not hesitate to contact me at 515-281-7357 or via e-mail at shopkins@dia.state.ia.us.

Sincerely,



Sherry Hopkins
Program Manager

cc: Karen Freund, ABD
John Lundquist, AAG
Bret Braafhart, DCI
Government Oversight Committee